

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18705. Standards for Determining Whether a Financial Effect on an Economic Interest is Material.

(a) In order to determine if a governmental decision's reasonably foreseeable financial effect on a given economic interest is material:

(1) For governmental decisions which affect economic interests in business entities--apply 2 Cal. Code Regs. section 18705.1;

(2) For governmental decisions which affect economic interests in real property--apply 2 Cal. Code Regs. section 18705.2;

(3) For governmental decisions which affect economic interests in sources of income--apply 2 Cal. Code Regs. section 18705.3;

(4) For governmental decisions which affect economic interests in sources of gifts--apply 2 Cal. Code Regs. section 18705.4;

(5) For governmental decisions which affect the personal expenses, income, assets or liabilities of the public official or his immediate family (personal financial effect)--apply 2 Cal. Code Regs. section 18705.5;

(b) General Rule: Whenever the specific provisions of 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, cannot be applied, the following general rule shall apply: The financial effect of a governmental decision is material if the decision will have a significant effect on the official or a member of the official's immediate family, or on the source of income, the source of gifts, the business entity, or the real property, which is an economic interest of the official.

(c) Special Rules. Notwithstanding 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, an official does not have to disqualify himself or herself from a governmental decision if: Although a conflict of interest would otherwise exist under 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, and 18706, the decision will have no financial effect on the person or business entity who appears before the official, or on the real property in which the official holds a direct or indirect interest, or on the personal finances of the official and/or his immediate family.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87102.5, 87102.6, 87102.8 and 87103, Government Code.

HISTORY

1. New section filed 1-24-78; effective thirtieth day thereafter (Register 78, No. 4).
2. Amendment filed 6-4-82; effective thirtieth day thereafter (Register 82, No. 23).
3. Repealer and new section filed 11-23-98; operative 11-23-98 pursuant to the 1974 version of Government Code section 11380.2 and title 2, California Code of Regulations, section 18312(d) and (e) (Register 98, No. 48).
4. Editorial correction of 3 (Register 2000, No. 25).
5. New subsection (b)(1) designator, repealer of subsection (c)(1), and subsection renumbering filed 1-17-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 3).
6. Amendment filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).